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C O N F I D E N T I A L SECTION 01 OF 02 COTONOU 000408

C O R R E C T E D C O P Y - (FIXED FORMATTING ERRORS)

SIPDIS

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SUBJECT: SCENESETTER FOR PRESIDENT YAYI'S TRIP TO THE U.S.,
JULY 15-21, 2008

REF: A. BROWN/BANKS E-MAIL OF 7/9/2008

- [1](#)B. COTONOU 396
- [1](#)C. COTONOU 349
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Classified By: Ambassador Gayleatha B. Brown. Reasons 1.4 (b&d).

[1](#)1. (SBU) Summary: Benin,s President Boni Yayi travels to Washington, D.C., July 15-21, 2008, primarily for talks with the World Bank and the IMF and to seek assistance for plans to energize the country,s agricultural sector and to follow-up on earlier requests for food aid. His request for meetings with USG officials is linked to several issues of concern, including a growing problem in the agriculture sector, implementation of the MCA Compact, and efforts to curb corruption. Yayi also wishes an opportunity to demonstrate strong US/Benin ties as he continues to struggle at home to achieve economic growth and good governance objectives. A successful visit to Washington would raise his political capital at home where a stalemate in the National Assembly is blocking essential legislation and on the African continent where he hopes to strengthen his position as a regional player in the wake of hosting the 10th CEN-SAD Summit. End summary.

[1](#)2. (U) President Boni Yayi of Benin will meet with World Bank and IMF officials during his July 15-21, 2008 visit to Washington, D.C. In addition, he has requested appointments with President Bush, Secretary Rice, Director of Foreign Assistance Fore, Millennium Challenge Corporation (MCC) CEO Danilovich, and Peace Corps Director Tschetter. His delegation includes: Pascal Irene Koupaki, Minister of State for Economic Forecasting, Development and the Evaluation of Public Action; Roger Dovonou, Minister of Agriculture, Animal Husbandry, and Fishing; and S. Lawani, Minister of Finance.

//STALEMATE AT HOME//

[1](#)3. (U) The strong political coalition that secured President Yayi,s election in March 2006 is crumbling. Although Yayi won a majority of the communes in the April 2008 municipal elections, his desire to create a single list of candidates

from his Force Cowry for an Emerging Benin (FCBE) movement drove a number of National Assembly deputies from his governing coalition. Those deputies and others from opposition parties now hold a majority in the National Assembly, blocking key Government of Benin (GOB)-sponsored legislation. This includes the new penal and civil codes that are instrumental to the implementation of USG-funded projects such as the Women,s Justice and Empowerment Initiative (WJEI).

¶4. (U) The anti-corruption fight also has stalled. The GOB has had little success in its pursuit of high-profile corruption cases against alleged corrupt, former government officials. For example, the Supreme Court recently ordered the release without bond of Sefou Fagbohoun, a powerful opposition party leader whose case had long lingered with no action. The GOB had accused Fagbohoun of embezzlement and mismanagement of the privatized gas parastatal SONACOP. He promptly took his place in the National Assembly, a position won from a jail cell and where he now has parliamentary immunity. Yayi,s efforts earlier to convince the parliament to lift immunity in another case also failed.

¶5. (U) In addition, President Yayi is under pressure over rising consumer prices. Workers peacefully protested on July 10 against the high cost of living related to food prices. To make matters worse, the GOB is running short of funds used to subsidize prices of key commodities to the consumers (Ref F). President Yayi organized a June 24 briefing for donors on the problem, explaining that GOB efforts to reduce the prices of foodstuffs and construction materials, through subsidies and cuts in import duties and VAT, have cost the GOB FCFA 48,248,478,989 (approximately USD 114,877,331.)

//LIBYA LEAVES BENIN WITH A WHOPPING CEN-SAD BILL//

6.(C) To make matters worse, Libya did not keep a promise to provide substantial funding to help defray GOB expenses for the recent 10th CEN-SAD summit in Cotonou, according to President Yayi. He told the Ambassador on July 3 that instead of the expected USD 10 million contribution from Libya, the GOB received only USD 3 million, most of which went to pay the Libyan delegation's living and lodging

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expenses (including Mr. Khadaffi's tent). The Chief of Staff at the Finance Ministry confirmed that Libya's contribution totaled FCFA 1,255,675,958 or approximately USD 3 million. Moreover, to facilitate Libyan financed, private-sector construction of 69 luxury villas for the CEN-SAD summit, the GOB recouped prime land near the Cotonou airport from private owners and gave generous tax breaks for the project. Yayi said that of the promised 69 villas, the Libyans only built ¶40. The Foreign Minister told the Ambassador that contrary to Khadaffi's wishes, Benin did not press Khadaffi's controversial position on African unity (Ref D) at the recent AU meeting in Egypt - a testimony, he said, to Benin's independence.

//GOB ISSUES FOR DISCUSSION IN WASHINGTON//

¶7. (SBU) Per Ref A, MFA Americas Acting Director told post that President Yayi,s issues for discussion with USG officials include:

USG:

- agricultural development; food crisis; transformation of the Cotton industry; OPIC
- international cooperation: CEN-SAD, G-8 resolutions
- climate change
- democracy in Africa
- MCA Compact (delays in implementation related to the Port of Cotonou and the Access to Justice Program, efforts to curb corruption and related laws, and additional funds for the current Compact and a Compact II)
- recent dismissal of the Port Director that is not expected to derail Port reforms

- tour d,horizon on USAID programs (health, education and WJEI) and
- assistance in arranging a meeting with Bill Gates.

World Bank/IMF: Post expects President Yayi,s talks to focus on budgetary assistance, the status of Benin,s structural adjustment reforms and release of donors, 2008 budget support funds.

18. (SBU) Comment: President Yayi,s visit to the United States presents an opportune time for USG officials to reiterate support for his stance against corruption and encourage concrete action to arrest and try corrupt officials. The GOB also needs to fully engage in the President,s Malaria Initiative (PMI) by committing the requisite personnel for implementation of the program. In some respects, Yayi is between a rock and a hard place. Crippling defections from FCBE in the National Assembly hamstringing GOB efforts to move forward on key economic and social legislation, thus hampering his ambitious program for growth and development and ability to meet the high expectations for change of the electorate.

BROWN